

Message Text

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S E C R E T SECTION 1 OF 2 MADRID 3443

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FOR THE SECRETARY

E.O. 11652: GDS

TAGS: OVIP (GERALD FORD)

SUBJECT: THE PRESIDENT'S VISIT: SOME THOUGHTS ON SPAIN

TODAY AND OUR APPROACH TO ITS FUTURE

1. AS I THINK YOU KNOW, I AM NO POLITICAL SCIENTIST.

THE THOUGHTS WHICH I SET FORTH BELOW ARE, THEREFORE, NOT THE CONSEQUENCE OF A CRASH COURSE IN POLITICAL SCIENCE, BUT RATHER SOME REFLECTIONS BASED ON MY OBSERVATIONS DURING MY TWO AND A HALF MONTHS IN MADRID. IT OCCURRED TO ME THAT SOME OF THESE THOUGHTS MIGHT BE USEFUL IN CONNECTION WITH THE OVERALL VIEW OF THE PRESIDENT'S TRIP TO SPAIN.

2. WITH DISTURBING EVENTS AND TRENDS IN PORTUGAL AND WITH UNPREDICTABLE AND TENSE SITUATIONS THROUGHOUT OTHER PARTS OF THE MEDITERRANEAN, SPAIN REMAINS BY COMPARISON A POINT OF CONSIDERABLE STABILITY. THIS IS DUE NOT ONLY TO THE CONTINUING ALTHOUGH WWAKENING RULE AND MYSTIQUE OF FRANCO HIMSELF, BUT ALSO TO THE GREAT ECONOMIC GROWTH AND DEVELOPMENT OF THIS COUNTRY OVER THE PAST TEN YEARS. THIS STABILITY WITH ITS ACCOMPANYING WELL-BEING IS RECOGNIZED BY MOST SPANIARDS TO BE IN THEIR BEST INTEREST, AND THIS IS PARTICULARLY TRUE OF THE VERY LARGE MIDDLE CLASS WHICH HAS INCREASED AND PROSPERED THROUGH THE BENEFITS OF THIS POLITICAL AND ECONOMIC STABILITY.

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3. SPAIN HAS NOW ENTERED INTO A TRANSITIONAL PHASE WHICH, ALTHOUGH INCREASINGLY RECOGNIZED AS SUCH, STILL HAS NOT DEVELOPED ANY CLEAR FORM. MODERATE ELEMENTS, INCLUDING BUSINESS LEADERS, PROFESSIONAL SECTORS AND SOME OF THE MILITARY, WHICH HAVE LONG SUPPORTED FRANCO AND STILL DO, ARE INCREASINGLY CALLING, AND EVEN PUBLICLY, FOR FRANCO TO STEP DOWN AND HAND OVER POWER TO PRINCE JUAN CARLOS AS CHIEF OF STATE. THE CHURCH, LONG A SUPPORTER OF FRANCO, HAS IN THE PAST YEARS BECOME QUITE HOSTILE TO THE REGIME AND NOW SUPPORTS MORE RAPID CHANGE. THERE IS STRONG BELIEF AMONGST THESE MODERATE ELEMENTS THAT IF SPAIN IS TO CATCH UP WITH THE ERA IN WHICH IT MUST LIVE, TO BECOME A FULL PARTNER IN THE CREATION OF THE EUROPEAN COMMUNITY AND TO BE ACCEPTED AS A FULL PARTICIPANT IN THE WESTERN DEFENSE STRUCTURE, SPAIN MUST EVOLVE TOWARD A MORE DEMOCRATIC FORM OF GOVERNMENT AND THAT A MEANINGFUL EVOLUTIONARY PROCESS WILL REMAIN BLOCKED AS LONG AS FRANCO REMAINS IN POWER. MOREOVER, MANY BELIEVE THAT THE LONGER FRANCO REMAINS IN POWER, THE LESS THE LIKELIHOOD OF AN ORDERLY AND MODERATE TRANSITION, BECAUSE IT WILL NOT PERMIT THE PACE OF LIBERALIZATION THAT IS NEEDED. THERE IS NO STRONG MONARCHICAL SENTIMENT IN SPAIN. HOWEVER, THE NOTION OF JUAN CARLOS AS KING HAS LARGE IF NOT ENTHUSIASTIC ACCEPTANCE AT LEAST FOR A TRANSITIONAL PERIOD BECAUSE IT DOES PROVIDE, INSTITUTIONALLY, FOR AN ORDERLY SUCCESSION.

4. THERE IS CONCERN ABOUT THE ECONOMIC SITUATION WHICH IS PLAGUED BY INFLATION, BY BALANCE OF PAYMENT PROBLEMS AND BY UNEMPLOYMENT. THIS IS BY NO MEANS A SPANISH PHENOMENON ALONE SINCE IT IS CLOSELY RELATED TO WORLD CONDITIONS; BUT IF THE ECONOMIC SITUATION WERE TO DETERIORATE, WHICH IS PRESENTLY NOT FORECAST, THERE WOULD BE ADDITIONAL STRAINS ON THE STABILITY OF THIS COUNTRY.

5. IN THIS OVERALL CONTEXT, THERE IS GREATLY INCREASED INTEREST IN THE CREATION OF THE NEW POLITICAL STRUCTURES TO PROVIDE GREATER POPULAR PARTICIPATION IN GOVERNMENT. IN FEBRUARY 1974, PRIME MINISTER ARIAS ANNOUNCED A SERIES OF EVOLUTIONARY MOVES, INCLUDING MOST IMPORTANTLY THE CREATION OF "POLITICAL ASSOCIATIONS". ARIAS GAINED CON-

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SIDERABLE APPROVAL FOR HIS ACTIONS, BUT EVENTS SINCE THEN, INCLUDING A VERY SLOW START ON POTENTIAL ASSOCIATIONS IN A MORE RESTRICTED FORM THAN DESIRED BY ARIAS AND REPRESSIVE ACTIONS IN THE BASQUE AREA, HAVE SOMEWHAT DIMMED HIS IMAGE. GHREE OR FOUR SUCH ASSOCIATIONS TO BE LED BY MEN WHO BELONG TO THE "SYSTEM" MAY BE CREATED BEFORE THE END OF THIS YEAR. ONE OF THESE WHICH IS INSPIRED BY CHRISTIAN DEMOCRACY IS WELL ALONG IN ITS PLANNING AND HOPES TO GAIN

FORMAL APPROVAL IN JULY. THE OTHERS, WHICH ARE ON THE RIGHT, ARE SLOWLY DEVELOPING. WHILE THEY WILL BE VERY PALE IMITATIONS OF DEMOCRATIC POLITICAL PARTIES AS WE UNDERSTAND THEM, NEVERTHELESS, THEY WILL PROVIDE SOME BEGINNING.

6. OTHER POLITICAL ELEMENTS FROM THE CENTER RIGHT TO THE FAR LEFT, SUCH AS THE CHRISTIAN DEMOCRATS (OF WHICH THERE ARE FOUR COMPETING GROUPS), THE LIBERALS (WHO AMOUNT TO LITTLE), THE SOCIALISTS (OF WHICH THERE ARE AT LEAST THREE GROUPS), AND THE COMMUNISTS, ARE CALLING FOR THE LEGALIZATION OF POLITICAL PARTIES AS SUCH, BUT UP UNTIL NOW, THESE GROUPS ARE ILLEGAL. THE CHRISTIAN DEMOCRATS AND THE LIBERALS WOULD BE PERMITTED TO FORM ASSOCIATIONS IF THEY WOULD PLAY BY THE RULES. IT IS POSSIBLE, BUT DOUBTFUL, THAT THE SAME WOULD APPLY TO THE SOCIALISTS. IT WOULD NOT APPLY TO THE COMMUNISTS. THIS DOES NOT MEAN THAT ALL THESE ARE INACTIVE, AND TO A CONSIDERABLE DEGREE, THEIR "ILLEGAL" ACTIVITIES ARE TOLERATED. ON THE EXTREME RIGHT, THERE REMAINS A CERTAIN NUMBER OF INTRANSIGENT SUPPORTERS OF AUTHORITARIANISM WHO BELIEVE THAT THE PRESENT SYSTEM SHOULD REMAIN UNTOUCHED AND WHO ARGUE THAT EVENTS IN PORTUGAL HAVE DEMONSTRATED WHAT HARM WILL BEFALL SPAIN IF THE AUTHORITARIAN BASIS OF THE REGIME IS ALTERED EVEN SLIGHTLY.

7. ON THE LABOR SIDE, STRIKES, WHICH WERE ILLEGAL UNTIL LAST WEEK, OCCURRED WITH CONSIDERABLE FREQUENCY (OVER 2,000 LAST YEAR INVOLVING 700,000 WORKERS). THE GOVERNMENT HAS JUST GRANTED A LIMITED RIGHT TO STRIKE. THERE ARE PRESURES FROM MODERATE GROUPS TO START THINKING IN TERMS OF FREE TRADE UNION MOVEMENTS. THEY ARGUE THAT WHEN THE TRANSITION DOES OCCUR, THE GOVERNMENT-CONTROLLED SYNDICAL

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ORGANIZATION SHOULD NOT BE THE ONLY ONE IN EXISTENCE AND SUSCEPTIBLE TO MANIPULATION AND EVENTUAL TAKEOVER OR, PERHAPS MORE LIKELY, DISPLACEMENTS BY THE COMMUNISTS WHO ARE ALREADY VERY ACTIVE IN THE LABOR FIELD, AS WELL AS IN OTHERS INCLUDING THE MEDIA. A MOVE TO FREE TRADE UNIONS IS PERHAPS THE MOST IMPORTANT SINGLE ACTION FOR THE GOVERNMENT TO TAKE NOW.

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FOR THE SECRETARY

8. THE ENTIRE ATMOSPHERE HAS A SOMEWHAT UNREAL QUALITY BECAUSE WHAT HAPPENS STILL DEPENDS ALMOST ENTIRELY ON WHAT FRANCO, WHO IS NOW IN HIS 83RD YEAR, DECIDES TO DO. AS FAR AS I CAN DETERMINE, HE HAS GIVEN NO HINTS AS TO WHAT HE INTENDS TO DO. AND NEITHER ARIAS NOR JUAN CARLOS HAVE MUCH LEEWAY AS THEY GO ABOUT THEIR BUSINESS. FRANCO CONTINUES TO CONDUCT THE MAJOR AFFAIRS OF STATE. INDEED, HE PLANS TO PLAY THE LEADING ROLE IN THE PRESIDENT'S VISIT. FRANCO HAS PROVIDED THE STABILITY OVER THE PAST MANY YEARS, HE HAS PROVIDED FOR AN ORDERLY SUCCESSION PROCESS, AND HE APPEARS TO BE WILLING TO "TOLERATE" THE BAR-EST MINIMUM OF "EVOLUTION". THE PRINCIPAL PROBLEM, HOWEVER, LIES IN THE "TIMING". THE LONGER HE REMAINS, THE LESS LIKELY THAT A GRADUAL EVOLUTIONARY PROCESS TOWARD GREATER POPULAR PARTICIPATION CAN TAKE PLACE, UNLESS HE IS MORE FLEXIBLE IN THE INTERIM THAN HE HAS THUS FAR BEEN. IF HE SHOULD STEP DOWN IN THE NEAR FUTURE, IT IS MY BELIEF THAT JUAN CARLOS AND HIS GOVERNMENT, WITH THE SUPPORT OF THE MILITARY (AND HE HAS THAT), COULD GIVE THE EVOLUTIONARY PROCESS A GREATER CHANCE OF SUCCESS. IF FRANCO WAITS TOO LONG, THE PRESSURES FOR A MORE RAPID AND LESS CONTROL-ABLE PROCESS, WITH THE COMMUNISTS WELL IN THE LEAD, MAY BECOME VERY HEAVY INDEED.

9. THE POSITION OF THE UNITED STATES IS ALSO MUCH INVOLVED IN THIS ENTIRE SITUATION. FRANCO HAS LONG LOOKED

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ON THE UNITED STATES AS SPAIN'S BEST FRIEND, AND WITH GOOD REASON GIVEN THE ATTITUDE OF THE EUROPEANS. IT IS, INDEED,

TRUE THAT OVER THE PAST 20 YEARS IN SPITE OF OFTEN DIFFICULT NEGOTIATIONS, WE HAVE RETAINED THE RATHER LIBERAL USE OF HIGHLY IMPORTANT DEFENSE FACILITIES. EVEN THOUGH THE SPANISH WILL OFFICIALLY NOT ACKNOWLEDGE IT, THEY PERMITTED THESE FACILITIES TO BE USED TO CONSIDERABLE ADVANTAGE DURING THE YOM KIPPUR WAR.

10. THERE ARE MANY ELEMENTS IN SPAIN WHO REGARD THE UNITED STATES CRITICALLY AS THE PRINCIPAL MAINSTAY OF THE FRANCO REGIME. THERE ARE ALSO AN INCREASING NUMBER OF MODERATE ELEMENTS WHO RESENT OUR CONTINUED MILITARY PRESENCE IN SPAIN NOT ONLY BY ITSELF, BUT ALSO BECAUSE THEY ALLEGE HIGH RISKS FOR SPAIN WITHOUT ADEQUATE COMPENSATION AND RECOGNITION BY THE UNITED STATES AND BY NATO. RECENT EVENTS IN VIET-NAM HAVE ALSO BEEN USED RATHER WIDELY TO SUPPORT THE NOTION THAT WE ARE NOT A RELIABLE PARTNER. I AM STRUCK BY THE DRUMBEAT OF ANTI-AMERICANISM IN THE SPANISH MEDIA WHICH IS TODAY MUCH FREER THAN AT ANY TIME IN THE PAST YEARS OF THE REGIME. BY THE SAME TOKEN, THE GOVERNMENT IS MUCH MORE SENSITIVE TO THESE EXPRESSIONS OF PUBLIC OPINION AND THEY WILL BE OBLIGED TO TAKE THEM INTO ACCOUNT WITH RESPECT TO THE TERMS OF ANY AGREEMENT WE MAY EVENTUALLY REACH ON THE CONTINUED USE OF THE FACILITIES. THE SPANISH GOVERNMENT MAINTAINS BASICALLY A VERY FRIENDLY ATTITUDE TOWARD THE UNITED STATES AND WISHES TO MAINTAIN A CLOSE DEFENSE RELATIONSHIP. THERE IS SOME DISAPPOINTMENT OVER OUR POLICIES ON MOROCCO AND TRADE QUESTIONS, BUT SO FAR THIS DISAPPOINTMENT HAS BEEN IN MANAGEABLE PROPORTIONS.

11. THE RETENTION OF FACILITIES IN SPAIN IS IMPERATIVE IN TERMS OF OUR OVERALL STRATEGIC INTERESTS IN EUROPE AND THE MEDITERRANEAN AND WE OBVIOUSLY MUST LOOK TOWARD THAT END. AT THE SAME TIME, IT SEEMS TO ME THAT WE MUST ALSO BEAR FULLY IN MIND THAT WE SHALL HAVE TO WORK CLOSELY IN THE FUTURE WITH MANY OF THOSE ENTIRELY VALID AND DEMOCRATIC ELEMENTS WHO ARE NOW PRESSING FOR GREATER DEMOCRATIC EVOLUTION IN SPAIN AND WHO MAY WELL HAVE A WORD TO SAY IN THE FUTURE ABOUT THE RETENTION OF OUR FACILITIES. SOME OF THESE ELEMENTS ARE PROBABLY LESS THAN ENTHUSIASTIC

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ABOUT THE PRESIDENT'S VISIT IN THE BELIEF THAT TO THE EXTENT IT DEMONSTRATES CONTINUING U.S. SUPPORT FOR THE PRESENT REGIME, IT MAY CONTRIBUTE TO THE FURTHER BLOCKING OF THE EVOLUTIONARY PROCESS.

12. IT IS WITH THIS THOUGHT IN MIND THAT I WOULD HOPE THAT BOTH IN PRIVATE TALKS WITH THE PRINCE AND WITH PRIME MINISTER ARIAS, THE PRESIDENT MIGHT FIND IT POSSIBLE TO IDENTIFY THE UNITED STATES AS UNDERSTANDING AND SYMPA-

THETIC TO THE EVOLUTIONARY TREND IN SPAIN. OBVIOUSLY, OUR MAIN PREOCCUPATION MUST BE THAT SPAIN REMAIN AS STABLE AS POSSIBLE OVER THE YEARS AHEAD AND THAT THE COMMUNISTS BE FRUSTRATED IN WHATEVER DESIGNS THEY MAY HAVE FURTHER TO EXTEND THEIR INFLUENCE IN THE IBERIAN PENINSULA. IF THE SUCCESSION, EITHER BEFORE OR AFTER FRANCO DIES, TAKES PLACE IN AN ORDERLY FASHION, AS I BELIEVE IT WILL IF IT OCCURS OVER THE NEXT YEAR OR SO, IT WILL BE ALREADY AN IMPORTANT ACCOMPLISHMENT. IF SPAIN CAN RETAIN A HIGH DEGREE OF POLITICAL AND ECONOMIC UNITY AND STABILITY AND ALSO EVOLVE IN A MORE DEMOCRATIC SENSE OVER THE YEARS AHEAD, IT WILL BE EVEN A GREATER ACCOMPLISHMENT.

13. TO THE EXTENT THAT WE ARE ABLE TO INFLUENCE THIS COURSE OF EVENTS, I AM PERSUADED THAT OUR BEST POSTURE WILL BE TO ATTEMPT TO CONVEY TO THE VAST NUMBERS OF SPANIARDS WHO WANT BOTH TO MAINTAIN THE UNITY AND BASIC STABILITY OF SPAIN AND TO ACHIEVE A GREATER OPENING TOWARD A MORE DEMOCRATIC SYSTEM THAT WE ALSO THINK IN THOSE TERMS. STABLER

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